

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

NOTICE OF PURCHASED GAS            )  
ADJUSTMENT FILING OF DELTA        )  
NATURAL GAS COMPANY, INC.         )

CASE NO. 9059-D

O R D E R

On October 11, 1985, the Commission issued its Order in Case No. 9059-D granting Delta Natural Gas Company, Inc., ("Delta") an adjustment in rates to be effective for the period from November 1, 1985, to January 31, 1986. Based on data for the 12-month period ended July 31, 1985, included in Schedules I and II of Delta's filing, the Commission calculated Delta's line loss as follows:

$$\frac{4,670,867 - (4,350,194 + 56,663)}{4,670,867} = 5.65\%$$

The sum of total annual sales plus company usage was subtracted from total Mcf purchases for the 12 months ended July 31, 1985, and the difference was then divided by total Mcf purchases; the result was 5.65 percent line loss. Except in unusual circumstances, the Commission's practice has been to disallow gas costs associated with line loss in excess of five percent.

IT IS THEREFORE ORDERED that within 30 days of the date of this Order Delta shall provide the Commission with the following information:

(1) For the 12-month period ended July 31, 1985, calculate the portion of gas cost associated with line loss in excess of five percent.


(2) Present information or arguments as to why the Commission should not disallow gas costs associated with line loss over five percent.

IT IS FURTHER ORDERED that in Delta's next purchased gas adjustment filing it should include an alternate calculation of the actual adjustment containing a deduction for the portion of gas cost associated with line loss in excess of five percent for the 12-month period ended July 31, 1985.

Done at Frankfort, Kentucky, this 8th day of November, 1985.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

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Secretary